



Preferred Developer for 185 South Third Street Parcel Request for Proposals

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1 Announcement

REQUEST FOR PROPOSALS (RFP)

City of Easton Preferred Developer for 185 South Third Street Parcel

The City of Easton, located in Northampton County, Pennsylvania, is accepting proposals to identify a qualified real estate development firm who will work with the City to achieve the highest and best use of a key parcel within the City's Central Business District. The subject site is located at 185 South Third Street, adjacent to City Hall on the northwest corner of Larry Holmes Drive and South Third Streets ("Project Area").

Important Dates:

All proposers may attend an optional pre-proposal conference held on **August 8, 2019** at 10:00 a.m. at Easton City Hall, 3rd Floor Conference Room, 123 South 3rd Street, Easton, PA. While attendance at this meeting is not mandatory, it is strongly recommended.

Questions regarding the proposal shall be submitted in writing via the "Questions" feature within PennBid. by 1:30 p.m. on **August 30, 2019**. All questions will be sent out as an addendum to the email address provided by prospective bidders.

Proposals must be received electronically via the PennBid Program no later than **September 27, 2019** at 1:00 p.m, at which time the bids shall be reviewed for an approximate period of 90 days.

RFP Management:

The City is using the PennBid platform (www.pennbid.net) to manage all aspect of the RFP process. Proposals are to be submitted through this platform by the date provided above. Proposals submitted in any other manner will not be accepted. All proposal documents are available at no cost on PennBid (www.pennbid.net).

NOTE: In this document the term "proposer" shall mean the person or firm making a proposal based on this RFP. The term "proposer" and the term "firm" is used interchangeably. Also, the term "you" or "your" shall refer to the proposer.

2 Background

The City of Easton, PA is issuing this Request for Proposal (RFP) in order to identify a qualified real estate development firm that will undertake planning and construction of a project to maximize the use of the subject real estate located at 185 South Third Street. This RFP describes the property and the process that will ultimately identify the developer who will work cooperatively with the city to effectuate the desired outcome. The City is soliciting proposals to spur the development of this approximately three acre site and to promote desirable economic development and increased private investment in our Downtown.

The City is interested in receiving Proposals that (a) meet the Economic Objectives (Section 2.3) regarding the Project Area or other boundaries as expanded, (b) provide the most transformative opportunity for the Project Area and the City, and (c) deliver the optimal return on investment made by the City.

While no absolute end-use is specified in this RFP, it is expected that the firm will consider a dense, mixed-use development that will provide needed economic assets in the City and that will not adversely impact available infrastructure, existing businesses and residents of the City. Due to the high-profile nature of the property and the size of this prepared site, the City's vision for this parcel is that it will have a substantial and sustainable favorable economic impact on the city and its central business district.

The City will utilize an ad-hoc committee of citizens, community leaders and City officials to provide input as to community preferences for development. In addition, this committee will interview final candidates and will serve a significant role in determining the successful developer. The final decision on the selection of the preferred developer will ultimately be made by City Council.

2.1 The City of Easton

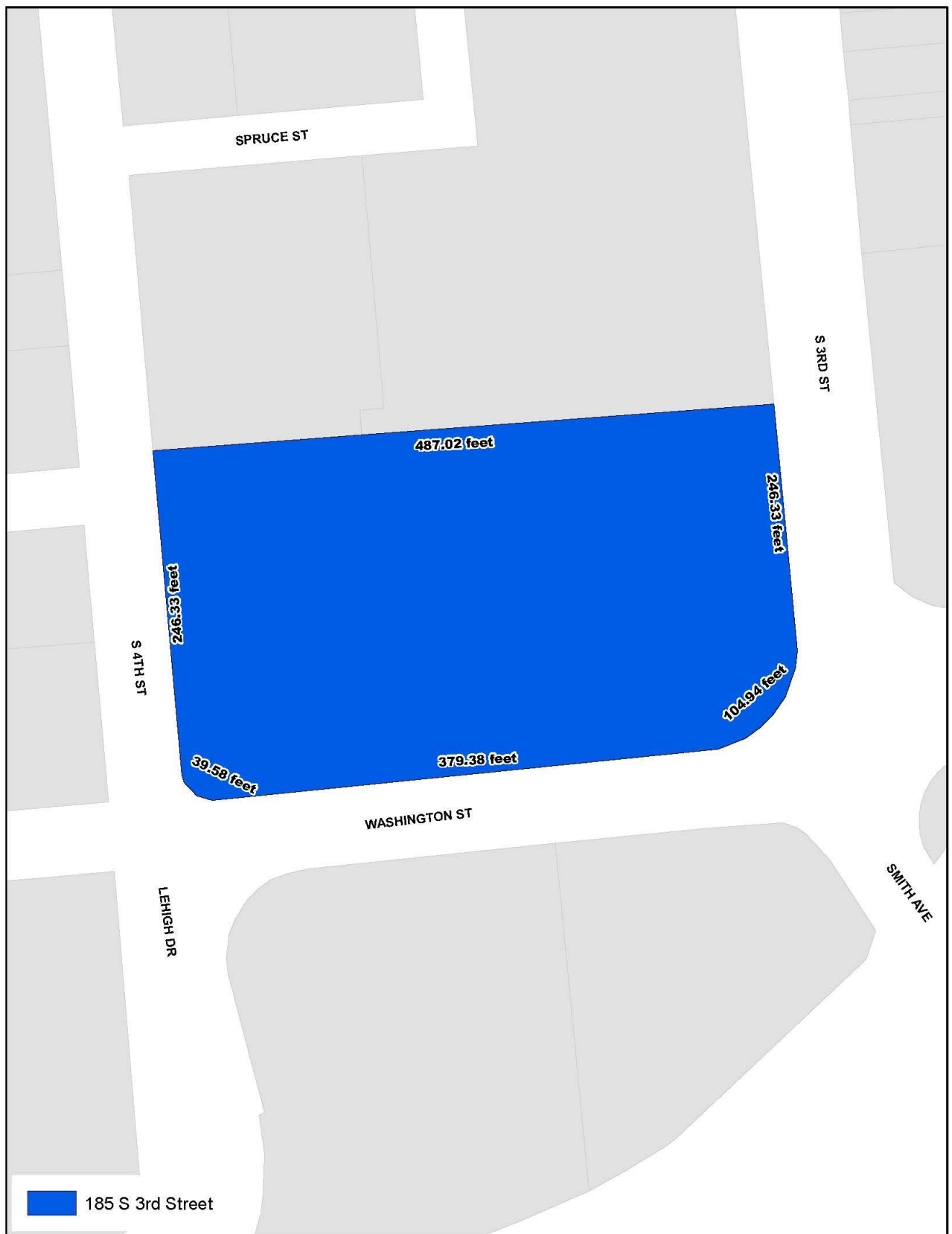
The City of Easton is located in the Lehigh Valley region of eastern Pennsylvania, approximately 60 miles north of Philadelphia and 70 miles west of New York City. Easton is home to Lafayette College and the Crayola Experience among other nationally recognized entities. The City has a heritage steeped in history. On July 8th, 1776, Easton was one of three cities where the original Declaration of Independence was read aloud in public. Among many other historic locations, the home of George Taylor, a signer of the Declaration of Independence, is a landmark in the city. In recent years, the City has been enjoying a renaissance that has been cultivated largely by tourism, fueled by the Crayola Experience, the National Canal Museum, the State Theatre for the Arts and the City's thriving restaurant district. Looking to the future, the City is expecting continued growth with an additional \$150,000,000 in private development set to occur over the next 24 months. The city is also pursuing improvements to infrastructure to support this growth. To this end, plans are underway to enhance telecommunications infrastructure by installing a private fiber loop to support local business needs for high-speed data access.

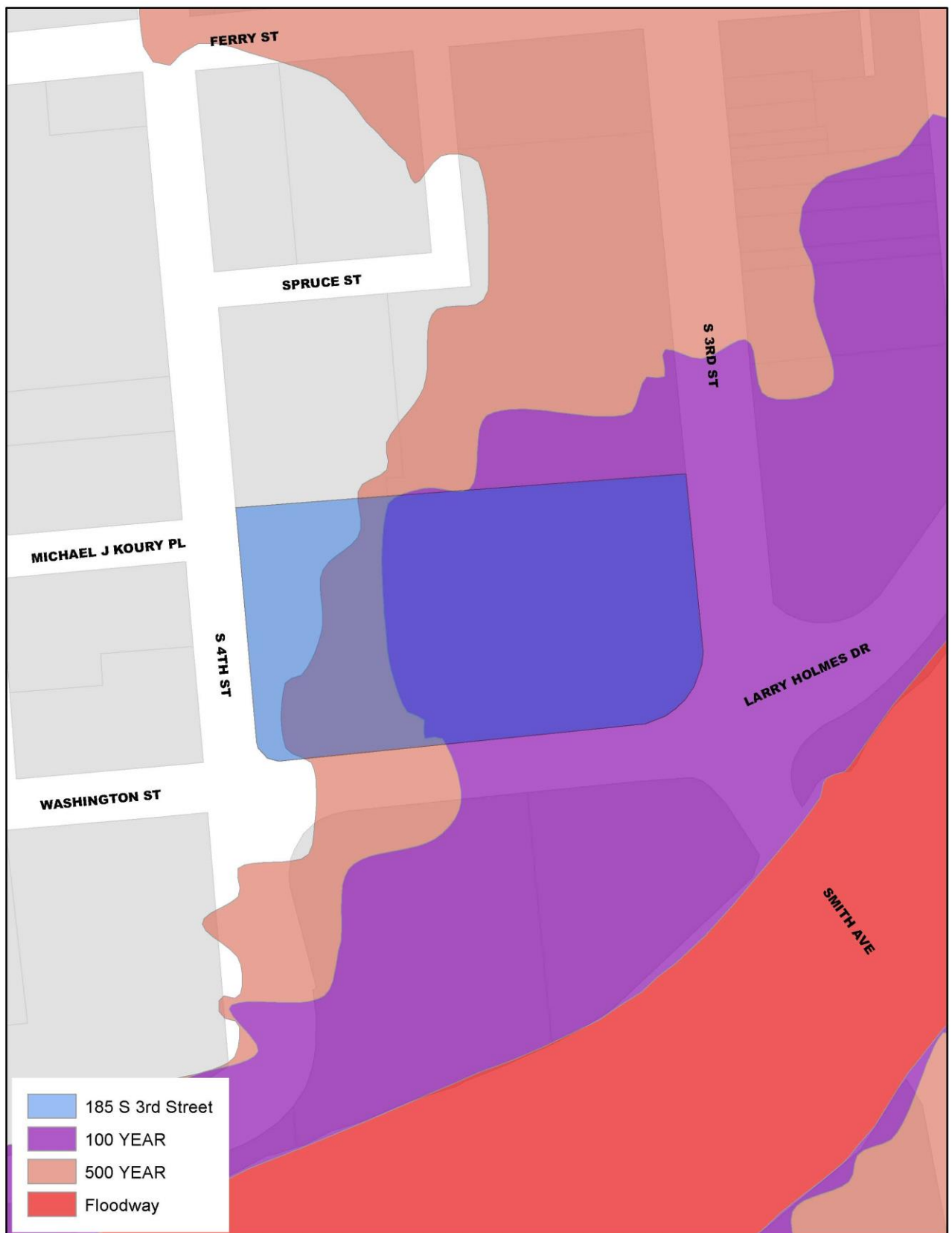
2.2 The 185 South Third Street Parcel

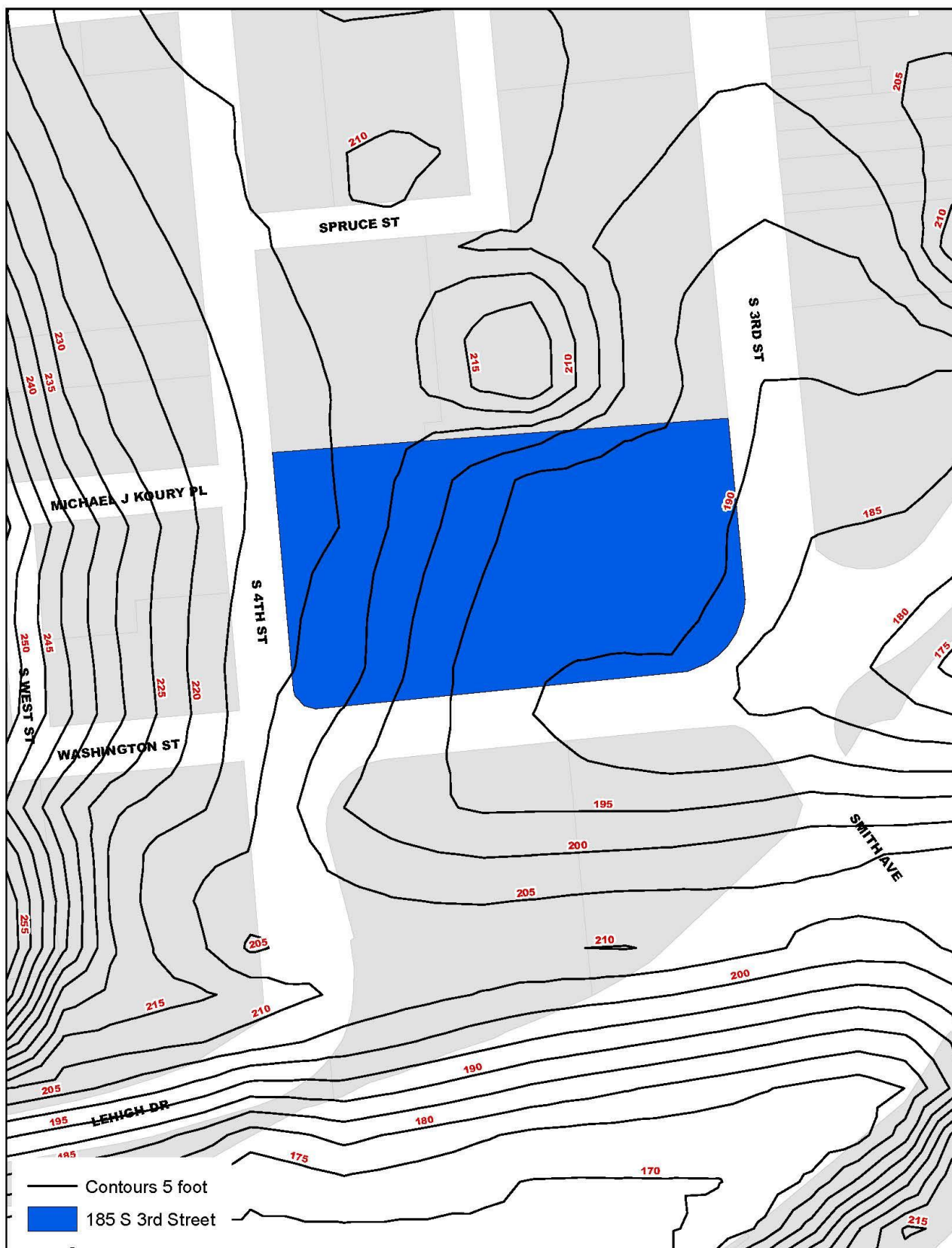
Located directly adjacent to City Hall, this 2.96 acre parcel is the largest developable site in the City's central business district. The property is located in the City's DD / Downtown development zoning district and is situated in a high-profile commercial corridor with ease of access to both Routes 22 and 78.

The property is located a few blocks from Easton's historic Centre Square, the Crayola Experience attraction, the City's renown restaurant district and nationally recognized walking/biking trails. It is also located across the street from a forthcoming 40,000 SF office building that will have Hearst Magazines as the anchor tenant. The parcel is considered prime commercial real estate. It is also **located in a designated Qualified Opportunity Zone** and is also **included in the City's 10-year LERTA tax abatement program** (abates City, County and School District real estate taxes on a sliding-scale basis, with the tax impact resulting from improvements incrementally introduced 10% per year).









2.3 Project Objectives

The City has identified certain key development and economic objectives they expect from the resulting project:

Employment Impact - The City expects that a dense, urban, mixed-use development will involve substantial job creation. Where possible, the project should offer diverse employment opportunities and should encourage the employment of city residents.

Economic Impact - The City expects proposed projects to leverage substantial private investment in the Project Area and to yield a significant tax impact in generating new revenues for the City.

Return of Invested Capital-Following selection of the successful developer the subject property will be conveyed to the developer or their assign. The sale price of the property will be not less than the appraised value of the property. For background purposes, the City's cost of acquisition was \$5,900,000 and it has also invested more than \$500,000 in providing a prepared site. The City seeks to maximize the return on their investment.

Development Conformity – The resulting project should be compliant with the City's comprehensive plan, Furthermore, the project must be congruent with existing downtown development and the surrounding neighborhoods. The Developer should make an effort to consider public amenities that are needed in the City within their proposal.

3 Roles and Responsibilities

The City of Easton recognizes that the development will require a strong and cooperative partnership. Through this RFP, The City is hoping to identify a private partner who can elaborate on the City's vision as described in the previous section.

While the exact roles and responsibilities of the City and preferred developer are somewhat flexible, in general the City anticipates the roles of the parties to include the following:

3.1 City of Easton Responsibilities

- Hold title to all real estate comprising the Project Area until a time that the City and the Developer agree on a mutually-beneficial ownership strategy. The City can be flexible in how control of the property is transferred to the developer (traditional sale and deed transfer, longer-term land lease options, etc.) and is willing to consider options as deemed beneficial for the successful implementation of the project and long term maintenance of the property.
- Work collaboratively with the Developer to design the project.
- Work collaboratively with the Developer to structure a long-term ownership strategy for the property.
- Assist the Developer through the City and State regulatory permitting processes.
- Work to secure potential public funding for the project, if required.

3.2 Developer Responsibilities

- Work collaboratively with the City to fund, design and construct improvements.
- Develop pro-formas to determine financial feasibility of proposed usage combination or combinations for the property. Work with the City to refine plans and/or design as required and implement funding/financing strategies.
- Complete and obtain permits and regulatory approvals for the development.
- Work with the City to develop and implement a mutually-beneficial, long-term ownership and maintenance strategy for the property and parking.

4 Requirements

4.1 General

- The City reserves the right to reject any or all proposals and to select the proposal that it judges to be in the best interest of the City.
- The contract is subject to the approval of City Council and is effective only upon their approval.
- All proposers are bound by the deadline and location requirements of this RFP as previously stated in the Announcement.
- All proposals shall remain effective subject to City review and approval for a period of one hundred eighty (180) days from the deadline for submitting proposals.
- If only one proposal is received by the City, the City may initiate negotiations with the firm submitting the proposal or seek additional proposals on an informal or formal basis during the one hundred eighty (180) day period that proposals must remain effective.
- The proposer is encouraged to add to, modify or clarify any of the scope of work items it deems appropriate to obtain a high quality plan at the lowest possible cost. All changes should be listed and explained. However, the scope of work proposed, at minimum, must accomplish the goals and work outlined in this document.

4.1.1 Proposed Schedule

After sealed proposals have been received, the City will request interviews with those respondents identified by the ad-hoc committee as finalists. After the completion of these interviews, the City will make a recommendation to City Council for the preferred developer. This is expected to occur in the Fall of this year.

If approved by Council, the City and the Developer will then begin negotiations leading to the execution of a development and property disposition agreement. This negotiation period (the term of which will be subject to negotiation with the successful developer) will offer the preferred developer the required time to complete analyses and due diligence on the project. This period of exclusive negotiation is intended to provide the preferred developer and the City time to put together the final development plan and to negotiate the specifications of the project and the terms and conditions under which the property will be transferred from the City to the Developer.

If the Developer and City cannot come to mutually agreeable terms on a development and property disposition agreement prior to the end of the exclusive negotiation period, the City may seek to enter into negotiations with one of the other respondents to this RFP or, as outlined above, reject all of the proposals and consider other options.

4.2 Deliverables

In addition to the Economic Objectives requirements, outlined above, the following deliverables will be expected with all submissions:

4.2.1 Overview of Design and Scope of Project

Please provide your vision for this property in narrative form. Given its location and current disposition, describe the future potential development and economic impacts the project will have in the City and any other factors you deem necessary to the City's consideration of your concept plan.

4.2.2 High-Level Renderings

Please provide your concept plan for this property in visual form. Illustrative documents provided should include basic elevations, site plans, floor plans and landscaping plans, as well as architectural renderings.

4.2.3 Property Control

Please provide an overview of options with respect to how the ownership of the parcel will be handled. If possible, please provide examples of other public private partnerships you have participated in and how the property was handled during the development process..

4.2.4 Financial Capability

Please provide an overview of how your firm intends to finance this project. In addition, please provide some insight into how you intend to structure outside investment. Please include potential equity investors/pools and, if used, how you intend to market/attract these to the project.

If chosen as the successful proposer, you will be required during the subsequent negotiation period to supply the City with a Financial Capability Letter. This letter will need to provide the following:

- The amount of funding available (identified in the context of the proposed total project cost)
- The funding will be available specifically for this project
- The source of the funding being provided
- The Letter must be provided on bank, financial institution or investor letterhead.

During the referenced negotiation period, the City reserves the right to request verification of available funds from the financing/investment entity(ies).

4.2.5 Project Cost, Project Pro Forma

Please provide the total project cost, broken down into main categories of development with estimates for each category. Also, please provide assessment of the project's financial viability and an overview of how you intend to ensure the project's profitability and viability for the long-term. Please include any assumptions with respect to any public funds or incentives that are necessary to make the project feasible.

4.2.6 Partners and or Sub-Contractors

Please provide a list of potential partners that you might engage in the development of the project. This can include but is not limited to:

- Architects
- Engineering Firms
- General Contractors

Please provide a brief description of the experience you have with each partner. Also, if partners and subcontractors will not be utilized, please indicate how your firm will approach these areas of the development process.

4.2.7 High Quality Commercial Tenancy

City Zoning requires that the project contain a commercial use on the first floor. For this and any other commercial uses proposed, the city expects high quality credit tenants to be recruited for the project. The proposer should demonstrate their ability to attract these to the project.

4.2.8 Site Acquisition Price

If the firm is prepared to offer specific consideration for acquisition of the subject real estate, please provide a signed offer letter to this effect. It is understood that this offer will be conditioned upon successful negotiation of a final development agreement..

4.2.9 Community & Economic Impact Analysis

The successful proposal must offer substantial economic benefit to the City, as outlined above. The proposer should provide substantiated economic impact information to aid the city in their analysis of the project's merit. This information should include estimates of:

- Number of temporary construction jobs created
- Number of permanent full-time equivalent (37.5 hours per week) jobs created by the project
- Residential Units Added
- Parking (+/- spaces and cost/space)
- Total Private Investment
- Real Estate Tax Impact
- Earned Income Tax Impact
- Spin-off Investment (provide any assumptions)
- Spin-Off Job Creation (provide any assumptions)
- Ancillary benefits to the community

5 Organization and Required Submittals

5.1 Letter of Transmittal

This letter should include:

- a statement indicating your understanding of the work to be performed;
- an affirmation of the firm's qualifications for professionally and expertly conducting the work as understood;
- the firm's contact person concerning the proposal and a telephone number where that person can be reached; and,
- a clear statement of the firm's, and/or its principals', business or personal relationship(s) with any City officials or employees of the City and the nature of this (these) relationship(s).

FAILURE TO CLEARLY STATE AND FULLY DISCLOSE ANY OF THE INFORMATION REQUIRED IN THE LETTER OF TRANSMITTAL SHALL BE GROUNDS FOR THE CITY TO REJECT THE FIRM'S PROPOSAL AND WILL BE GROUNDS FOR IMMEDIATE CANCELLATION OF ANY CONTRACT ENTERED INTO BETWEEN THE CITY AND THE FIRM WITHOUT PAYMENT FOR WORK COMPLETED.

5.2 Profile of Firm

Please provide a brief statement indicating the firm's experience in conducting work of the nature sought by this RFP. Marketing materials, developed by the firm, may be submitted as a part of this profile as long as they specifically address the experience of the firm related to the work to be performed. Additionally, this profile should include:

- the location of the firm's office that will provide the proposed services;
- resumes of individual consultants or employees proposed to conduct the work and the specific duties of each consultant or employee relative to the proposed work;
- a brief reference list of other municipalities served by the firm should be provided with telephone numbers and names of contact persons; and
- any other information describing the firm may be included if it relates to its capabilities and expertise in performing comparable work.

5.3 Explanation of Work to be Performed

The proposal must include a detailed description of the procedures and methods you propose to use to complete the work outlined in the proposal. The methods and procedures proposed will receive primary consideration in evaluating your proposal. Examples of similar work performed and associated case studies will be helpful and should be included.

5.4 Work Schedule

A project work schedule should be provided which includes target dates for each major work component including: dates for necessary meetings, dates for completion of draft and final documents and key dates for construction elements (e.g. mobilization, site work, foundation, steel erection, full enclosure, substantial completion, occupancy.).

5.5 Other Submittals

Additionally, the appendices to this RFP shall be fully executed and returned with the proposal as follows:

- Nondiscrimination Certification (For proposing firm)
- Non-Collusion Affidavit

6 Evaluation Criteria

All proposals will be evaluated based on the technical and professional expertise and the experience of the firm, the private investment leveraged by the project, the availability of financing and related wherewithal to complete the project and the community and economic impact of the proposed development. These factors will be equally weighted in the evaluation process.

6.1 Technical Expertise and Experience

The technical expertise and experience of the firm will be determined by the following factors:

- The overall experience of the firm in conducting similar work that is to be provided to the City - include any past experience with the City
- The expertise and professional level of the individuals proposed to conduct the work for the City
- The clarity and completeness of the proposal and the apparent general understanding of the work to be performed.
- The ability to acquire a high quality tenant for commercial space(s)

6.2 Economic Impact

The overall economic impact of the project will be weighed in relation to the other proposals received and shall be evaluated based on an overall cost/benefit of the proposed project. This analysis will include, but not be limited to:

- Return of invested capital (See Section 2.3)
- Jobs created
- Tax revenue generation
- Infrastructure impact (including: the number of public parking spaces needed to support the proposed development)
- Direct expenses incurred by the City
- City resources required to maintain and provide required services to the final development

6.3 Community Impact

The proposed project should reflect design standards and uses existing in the downtown and surrounding neighborhoods.

- The resulting project should be compliant with the City's comprehensive plan
- Any commercial development strategy should include the attraction of private development that will be complimentary and synergistic to existing businesses
- An effort should be made consider the addition of public amenities for the benefit of community

All, or selected, firms submitting proposals may be invited to give an oral presentation explaining their proposal.

7 Appendix A- Non-Discrimination Form

Nondiscrimination and equal opportunity are the policy of the Commonwealth/[City, et al] in all its decisions program, and activities. The purpose is to achieve the aims of the United States and Pennsylvania Constitutions. Executive Order 1972-1, the Pennsylvania Human Relations Act, Act of October 27, 1955, (P.L. 744), as amended, (43 P.S. § 951, *et. seq.*), and (43 P.S. § 153), by assuring that all persons are accorded equal employment opportunity without regard to race, color, religious creed, handicap, ancestry, national origin, age, or sex.

During the term of this contract, the Contractor agrees as follows:

(a) Contractor shall not discriminated against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Contractor shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Contractor shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this nondiscrimination certification.

(b) Contractor shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, handicap, ancestry, national origin, age, or sex.

(c) Contractor shall send each labor union or workers' representative with whom it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this nondiscrimination certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.

(d) It shall be no defense to a finding of noncompliance with this nondiscrimination certification that contractor has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the contractor was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

(e) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that contractor will be unable to meet its obligations under this nondiscrimination certification, contractor shall then employ and fill vacancies through other nondiscriminatory employment procedures.

(f) Contractor shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of contractor's noncompliance with the nondiscrimination certification or with any such laws, this contract may be terminated or suspended, in whole or part, and contractor may be declared temporarily ineligible for further City of Easton contracts, and other sanctions may be imposed and remedies invoked.

(g) Contractor shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by the City of Easton for purposes of investigation to ascertain compliance with the provisions of this certification. If contractor does not possess documents or records reflection the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Easton.

(h) Contractor shall actively recruit minority and women subcontractors or subcontractors with substantial minority representation among their employees.

(i) Contractor shall include the provisions of this nondiscrimination certification in every subcontract, so that such provisions will be binding upon each subcontractor.

(j) Contractor's obligations under this clause are limited to the contractor's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: _____

(NAME OF CONTRACTOR)

BY _____

TITLE _____

8 Appendix B- Non-Collusion Affidavit

State of: _____ Contract: _____

County of: _____

I state that I am _____ of _____ and that
(Title) (Name of Firm)

I am authorized to make this AFFIDAVIT on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this bid.

I state that:

1. The price(s) and amount of this bid have been arrived at independently and without consultation, communication or agreement with any other contractor, bidder or potential bidder.
2. Neither the price(s) nor the amount of the bid, and neither the approximate price(s) nor approximate amount of this bid, have been disclosed to any other firm or person who is a bidder or potential bidder, and they will not be disclosed before the bid opening.
3. No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a bid higher than this bid, or to submit any intentionally high or noncompetitive bid or other form of complementary bid.
4. The bid of my firm is made in good faith and not pursuant to any agreement or discussion with or inducement from, any firm or person to submit a complementary or other non-competitive.
5. _____, it's affiliated, subsidiaries, officers, directors and
(Name of Firm)

employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liability of any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidder on any public contract except as follows:

I state that _____ understands and acknowledges that the
(Name of Firm)

above Representatives are material and important, and will be relied on by the City of Easton in awarding the contract(s) for which this bid is submitted. I understand and my firm understands that any misstatement in this Affidavit is and shall be treated as fraudulent concealment from the City of Easton of the true facts relating to the submission of bids for this contract.

(Name and Title)

Sworn to a Subscribed before me this _____ day of _____, 20____.

Notary Public My Commission Expires: _____.

